

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 03936 201811Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CEA-01 CIAE-00
COME-00 EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00
USIA-06 OPIC-03 SP-02 TRSE-00 LAB-04 SIL-01
AGRE-00 OMB-01 STR-04 L-03 PA-01 PRS-01 /093 W
-----210044Z 029337 /45

R 201659Z APR 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 9629
INFO USMISSION OECD PARIS
AMEMBASSY THE HAGUE
AMEMBASSY LONDON

LIMITED OFFICIAL USE BRUSSELS 03936

E.O. 11652: N/A
TAGS: EINV, BE
SUBJECT: BADGER BELGIUM CASE

REF: STATE 82570

1. CHARGE AND ECONOMIC/COMMERCIAL COUNSELOR MET WITH BADGER VICE PRESIDENT WUNDER AND EXECUTIVE VICE PRESIDENT PHILIP SEAYER ON APRIL 19 PRIOR TO RESUMPTION OF THE COMPANY'S MEETINGS LATER THIS WEEK WITH MINISTER EYSKENS. WE TOLD ADGER OFFICIALS THATBELGIUM HAD JUST HELD ELECTIONS IN WHICH EYSKENS HAD WON BIG THIS COULD CONTRIBUTE TO CONTINUING CONSTRUCTIVE ROLE OF THE MINISTER OF BADGER WERE PREPARED TO MAKE OFFER TO SETTLE ITS TERMINATION PAYMENTS ALONG LINES DESCRIBED REFTEL. BADGER OFFICIALS WERE INTERESTED IN SUCH BACKGROUND MATERIAL AND IN FURTHER GUIDANCE WHICH WE OFFERED ON POLITICAL AND ECONOMIC FACTORS IN BELGIUM WHICH COULD INFLUENCE TACTICS AND RESULTS OF THEIR MEETINGS WITH EYSKENS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 03936 201811Z

2. BADGER OFFICIALS SAID THEY WERE PREPARED TO NEGOTIATE SETTLEMENT ON BASIS OF THE FORMULA IN REFTEL WHICH WOULD, THEY THOUGHT, REDUCE CLAIM FROM APPROXIMATELY 250 MILLION FRANCS TO ABOUT 140 MILLIONS FRANCS. PREVIOUS BADGER OFFER WAS 100 MILLION FRANCS, WHICH IS WHAT COMPANY SAYS WAS LEFT IN ANTWERP COMPANY AT TIME OF DECLARATION OF BANKRUPTCY. FIGURES ARE APPROXIMATE SINCE THEY ARE NOT YET CERTAIN OF

THE NUMBER OF EMPLOYEES WHO HAVE BEEN HIRED SINCE BADGER BELGIUM SHUT DOWN. BADGER OFFICIALS ALSO WISH INCLUDE IN SETTLEMENT AN AGREEMENT FOR "CONCORDAT" ON THEIR OUTSTANDING BANKRUPTCY JUDGMENT AND AN UNDERSTANDING WITH EYSKENS ON STATEMENT TO NEWS MEDIA. WE ENCOURAGED THEM ON BOTH POINTS, NOTING THAT BELGIAN COURT LEFT WAY OPEN FOR "CONCORDAT". ALSO, SINCE IT IS UNLIKELY THAT EYSKENS WOULD, AS A POLITICAL FIGURE, AVOID COMMENT TO MEDIA, AN AGREED PRESS STATEMENT WAS DESIRABLE.

3. BADGER IS STILL CONCERNED THAT IMPROVED SETTLEMENT MIGHT BE INTERPRETED AS PREJUDICIAL TO THEIR POSITION THAT BADGER BELGIUM WAS INDEPENDENT ENTITY, NOT A SUBSIDIARY, AND CONSEQUENT PIERCING OF "CORPORATE VEIL". THEY ARE ALSO UNHAPPY ABOUT UNFAVORABLE PUBLICITY TO WHICH COMPANY HAS BEEN EXPOSED AND APPEARED INTERESTED IN FOLLOWING UP OUR SUGGESTIN THAT COMPANY ISSUE "WHITE PAPER" GIVING FACTS AS THEY SEE THEM, FOLLOWING SETTLEMENT OF CLAIMS.

4. BADGER OFFICIALS PROMISED TO KEEP EMBASSY INFORMED ON DEVELOPMENTS ARISING FROM DISCUSSIONS WITH EYSKENS.
RENNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNION GOVERNMENT RELATIONS, DIPLOMATIC DISCUSSIONS, BUSINESS FIRMS, BANKRUPTCIES
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRUSSE03936
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770137-1148
Format: TEL
From: BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770440/aaaabhw.x.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9ea32aa2-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 82570
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2756205
Secure: OPEN
Status: NATIVE
Subject: BADGER BELGIUM CASE
TAGS: EINV, BE, BADGER BELGIUM
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/9ea32aa2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009